

CONNECTICUT INDUSTRY

FEBRUARY NUMBER

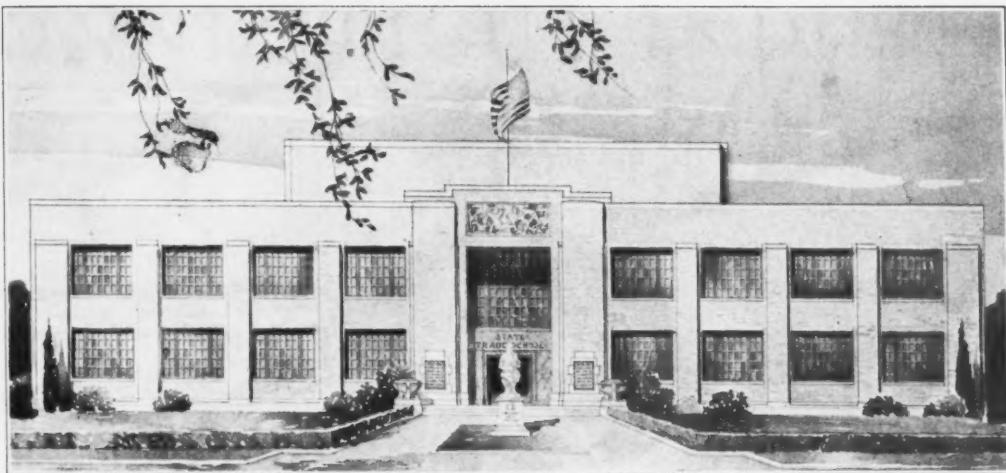


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THE MANUFACTURERS ASSOCIATION
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HADFIELD, ROTHWELL, SOULE & COATES
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HARTFORD-CONNECTICUT TRUST BUILDING
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State Trade School Under Construction on Washington Street, Hartford, Conn.

Training Manpower for Industry

A NEW State Trade School, now under construction in Hartford, will be the eleventh in a chain of state operated schools scattered throughout Connecticut. The other ten full time schools are located at Bridgeport, Danbury, Meriden, New Britain, Putnam, South Manchester, Stamford, Torrington, Middletown, and Willimantic. Under the present system of trade education the school buildings are provided and maintained by the local communities, but are operated and controlled by the State Board of Education. Anyone living in the state of Connecticut is permitted to attend the school nearest him tuition free, and in most cases without charge for transportation between towns.

Trades taught in these schools, for the most part, follow the type of the predominating industry located in the vicinity of the school. This method provides a close contact with modern industrial practice resulting in mutual benefit to both students and industry. Silversmithing is one of the trades taught in Meriden, textiles in South Manchester and Putnam, and hatting in Danbury.

The instruction given in the State Trade School is both intensive and practical. Houses are built, machine tools made, automobiles overhauled, job printing done, and numerous other operations which are practically analogous to

common industrial practice. In general the processes and work of actual industry are the training mediums. The finished products of students must be of a quality which will sell for standard prices in order to be acceptable to the faculty. Other related subjects such as drafting, trade mathematics, trade English and phases of citizenship, physical education and related sciences are also included in the curriculum. While these schools are fundamentally full time day institutions operating on a forty-four hour a week basis for grammar school graduates, they offer part time technical instructions to apprentices from four to eight hours a week, and extensive training for the benefit of journeymen and two-thirders now employed at their trades.

Hartford, through its Board of Education, is providing what is believed to be the largest, most completely equipped and most costly trade school building in the state, which upon completion will accommodate at least 500 students. The schools for machinists' apprentices now co-operating in the training of nearly 90 apprentices from 13 factories will be merged with the new trade school on the opening date. The completion of the Hartford school will add another to a long list of educational achievements which have been powerful influences in keeping Connecticut in the front ranks of industry.



From clipper ships to an annual carrying capacity of 1,200,000 tons

Since the days of clipper ships, when hardy mariners sailed around the "Horn," the American-Hawaiian Steamship Company has maintained the most frequent and dependable freight service of any line. "Coast-to-Coast since 1855" has a wealth of meaning. It indicates that this line has kept pace with the phenomenal growth of the West and the tremendous increase in traffic moving from coast to coast.

The era of the Cape Horners has passed. Today the American-Hawaiian Steamship Company — the *Panama Canal Line* — operates twenty-three express

steamers and motor ships with transportation facilities of over a million tons, carrying cargoes worth millions of dollars, from coast to coast efficiently and on schedule.

In a recent year but three vessels were late out of an average sailing of one ship every four and three-quarter days. In 1927, with sailings increased to a four day schedule, the percentage of

on-time arrivals was ninety-six percent.

No matter what your product — if you are manufacturing on the Atlantic seaboard for far-Western markets — if you are producing on the Pacific slope for Eastern consumption — consign your shipments to the American-Hawaiian Steamship Company and know that they will arrive safely, surely and on time. Service from Boston, New York, Philadelphia and Charleston to Los Angeles, San Francisco, Oakland, Portland, Seattle and Tacoma through the Panama Canal. Our local office will be glad to confer with your traffic manager.



AMERICAN-HAWAIIAN STEAMSHIP COMPANY
"Coast-to-Coast Since 1855"

CONNECTICUT INDUSTRY

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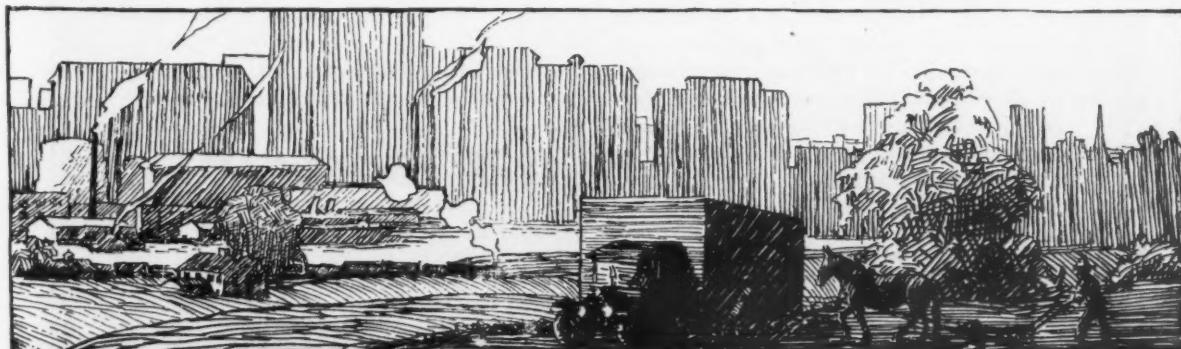
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★ A MAN OF BRILLIANCE ★

"The time has arrived to stop throwing peace paper wads at the dogs of war, expecting that they will seriously injure the dogs or destroy their appetite for a more palatable diet. I think the time has arrived to pull the teeth of these dogs if their owners want to reduce their fighting propensities and possibilities, but I would not begin by pulling the teeth of our half-grown pups while other nations are enlarging their pacts with full-grown specimens and are sharpening their teeth. To change the metaphor, I would render to our foreign friends some of the peace paper currency issued by the League of Nations and the Locarno treaty and our own arbitration treaties and see whether we could get anything worth while in return," said Senator George B. McLean in his epochal address before the United States Senate on January 5. This address, delivered in connection with the Kellogg pact and the cruiser bill, shall go down in the history of the Senate as equal in brilliance with his tariff speech in 1922.

On March 4, Connecticut loses her present senior senator. He is to retire after a lifetime of public service and after eighteen years in the greatest legislative body in the world. Connecticut loses her champion in the tariff — a man who understood the tariff as few have understood it, a man whose foresight was always as good as his hindsight, a man who understood completely the needs of his state and of his nation, a man who was fearless when he thought himself to be in the right; not only an orator of marked ability with the finest command of English, but a man who applied oratory to useful accomplishments. On numerous occasions many of his constituents have disagreed with him — have disagreed with him on his stand on the interpretation of the Kellogg treaty. Many violently disagreed with him on his stand on the soldiers' bonus, on woman suffrage, and on others of the large number of major problems with which he has dealt so masterfully during his long period of service, but invariably, time has proved that he was in the right.

The State of Connecticut owes a lasting debt to this brilliant man, a debt which it can never repay in full.

The names of Platt, Hawley and McLean are inscribed forever on Connecticut's shield of service.

A handwritten signature in cursive script, appearing to read "Elbert Hubbard".

Stop, Look and Listen

By J. A. DROEGE

MANY years ago there were all kinds of signs indicating the approach to a grade crossing — many of which you are familiar with and will recall, as: "Look Out For The Engine When The Bell Rings," or "Look Out For The Locomotive And Cars," and so on.

An important eastern railroad offered a considerable cash prize for the best legend to place on the highway. The wording which took the prize was the now familiar "Stop, Look and Listen" which has endured to the present time. The "cross-buck" soon followed and is now a generally recognized and familiar warning sign.

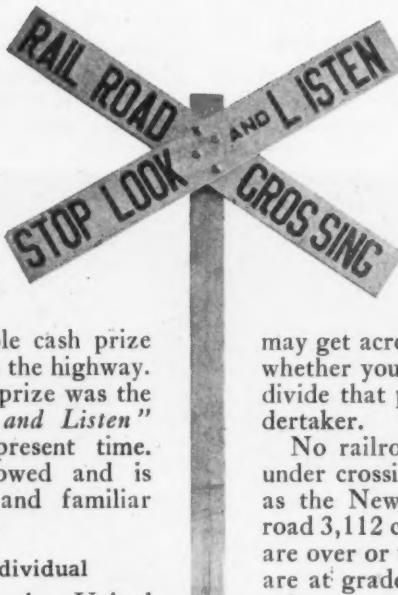
Responsibility of the Individual

The Supreme Court of the United States in a decision passed down in 1927 stated that "When a man goes upon a railroad track he knows that he goes to a place where he may be killed if a train comes upon him before he is clear of the track. He knows that he must stop for the train, not the train stop for him. In such circumstances, it seems to us that if a driver cannot be sure whether a train is dangerously near, he must stop and get out of his vehicle, although obviously he will not often be required to do more than stop and look."

Notwithstanding this dictum, we may, for the purpose of provoking discussion — now or later on — as well throw the fat in the fire at once and take a chance on being charged with rank heresy by suggesting the propriety of accepting as axiomatic principles,

first, that the railroad track is the safest place for the pedestrian, or shall we put it, the least dangerous, and,
second, that the eliminated grade crossing may be more hazardous to the greater number than the crossing at grade.

When we walk upon or across a railroad track, we know very definitely and within the



fraction of an inch, where to dodge the oncoming train — and we know it will not be on the wrong side of the road — or make any fool left-handed turns. Now try to cross Whitney Avenue in New Haven or any other wide street, after dark — and at a point where there is no flashing signal, or policeman. You may get across but it's about an even break whether you'll cross the street or the great divide that plays into the hands of the undertaker.

No railroad has eliminated, by over or under crossing, as many crossings at grade as the New Haven. There are, on that road 3,112 crossings of which 1,409 (45%) are over or under, and the remaining 1,703 are at grade. Those 1,703 crossings comprise seven-tenths of one per cent. of all the grade crossings in the United States, which total 235,158.

Increase of Crossings at Grade

Although with automobiles, distance is not nearly so important a factor as in the old days of horse-drawn vehicles, it is somewhat discouraging to find that grade crossings are increasing at a considerably faster rate than they can be eliminated, either by providing over or under crossings or by closing permanently. During the year 1926, there were 2,711 new crossings installed in the United States as against 1,254 eliminated, a net increase of 1,457. Some students of highway travel have stated that a considerable portion of the highways could well be abandoned which automatically would reduce the number of grade crossings.

This increase in the number of grade crossings brings to mind the story, which many of you have probably heard —

A boy brought home the problem of the cat in the well. If the cat jumped two feet and fell back three feet, how long would it take to get out of the well? The boy figured and figured and about nine o'clock his father asked

him, "Haven't you finished that problem yet?" "No," said the boy, "but give me ten minutes more and I will have that cat in Hell."

That is where many more will land if grade crossings continue to increase, with a concurrent increase in wild drivers. There is no increase in the three Southern New England States.

Percent of Protected Grade Crossings

Sixteen percent of the New Haven's grade crossings are protected by gates as compared to three percent in the United States; ten percent are protected by watchmen as compared to three percent in the United States; nineteen percent are protected by audible or visible signals or both, as compared to six percent in the United States. Every remaining crossing on the New Haven road is protected by warning signs; there are in the United States, several thousand crossings without even signs to indicate that railroad tracks are being approached. This record speaks for itself. The New Haven has done its part. On its heaviest and speediest traffic line with the greatest mileage in Connecticut, traversing that state at its widest point, namely from Byram River to the Pawcatuck River, a distance of 116 miles, substantially all grade crossings have been eliminated. We will show later, that our records compare favorably with those of railroads in other states; as do the comparisons of accidents at grade crossings and those at street intersections and elsewhere.

Opposition to Elimination

While only one person out of twenty-five killed in automobile accidents in this state meets his fate at the grade crossing, after such an accident there is immediately raised a hue and cry; a hypercritical, hysterical and hypo-

critical tirade, and usually followed — when an honest effort is made to remedy the situation — by much opposition by relatives of employes who might be displaced; by real estate owners who may not profit or whose values may be decreased through the change, or by mercantile concerns from whose doors the lines of traffic may be diverted. Much acidity, acerbity and acrimony is turned loose usually displaying much superfluous asininity. Whether intentional or not, the effect is that of drawing a herring across the trail.

The real cure is through such organizations as yours — composed of business men who will look the matter squarely in the face and handle it with that deliberation and intelligence which characterizes your every movement — and with the cooperation you have invariably given us, there could eventually be brought about proper control and



Although protected by one oval sign, the cross-buck and two distant warning signs the driver of this automobile insisted on crossing without looking

supervision of those actually responsible for the collisions at grade crossings.

Connecticut's Record of Deaths at Grade Crossings

While deaths or injuries at grade crossings receive a very large percentage of the publicity, they actually comprise almost a negligible percentage of the casualties, although nothing involving human life is negligible. During the seven years, 1921-1927, the number of persons killed in automobile accidents at grade crossings in the three states of Connecticut, Massachusetts and Rhode Island was only two and four-tenths per cent of all persons killed in such accidents and the number of persons injured was but three-tenths of one per cent of all persons injured. In 1927 in these three states there were 1,172 persons killed in automobile accidents, of which 25 were killed at

grade crossings; and 49,638 were injured, 106 of them at grade crossings.

Considering further the automobile accidents in our own state, we find that in 1927 there were 356 persons killed and 11,979 injured. The newspapers recently published the statement that up to Saturday, November 10th, the number killed this year was 381, with the prospect that the total for the year would be about 400, an increase of more than ten per cent over the highest number in any prior year. The number injured in 1927 was 2,100 greater than the highest previous year. It is generally known that the largest number of deaths results from accidents involving automobile and pedestrians; in 1927 over fifty per cent being due to this one class of accident. The next largest classes are the accidents involving two or more automobiles and the accidents where automobiles come in contact with stationary objects such as telephone poles;—in 1927 an additional thirty per cent of the deaths were due to these two causes.

Let us compare the situation at grade crossings in New England with the remainder of the country. In the first half of 1928, there were 3,636 persons killed or injured at these crossings in the United States. 893 people were killed, of whom one was in Rhode Island, four in Massachusetts, and twelve in Connecticut, a total of seventeen. There were 2,743 injured in the United States, of whom fifteen were in Massachusetts, nine in Connecticut and none in Rhode Island. The record of Rhode Island, with one person killed and none injured in a six months period, is truly remarkable considering its dense population, its dense automobile ownership—94 cars per square mile—the highest of any state in the Union, and comparing to less than eight cars per square mile for the United States as a whole. Although four and three-tenths per cent of all the automobiles registered in the United States were in Rhode Island, Massachusetts and Connecticut, these three states had only one and one-tenth per cent of all automobile accidents at highway grade crossings during this six months period.

The Home Folks

It is significant—and we believe it to be a fact—that almost all entanglements at grade crossings in our section of the country occur with so-called "home folks"; the "very ones who should know where the crossings are, who should know the lines of sight and be familiar

with the methods of protection. On the other hand, we frequently read of New Englanders being run into (or over) at grade crossings while driving in the South or West. There must be a reason. It has already been shown that the average of protected crossings here is far above the general average. Can it be that the driver from far away is trained to not only *find* the crossing, but to watch himself when approaching it and going over? The New Englander, through mischievous propaganda by some newspapers and other sources, is taught and led to believe that it is the duty of some fairy godmother to warn him; to "shoo" him off—and all but stop and turn his car for him.

The Engineer vs. The Automobile Driver

The question arises as to why there should be such a terrific number of automobile accidents. Railroads and highways are transportation mediums. As the business has been diverted from the railroads, with corresponding depletion of earnings, the traffic on the highways has increased and more money has been expended on them—even to the point where it cost more to build a mile of highway and more to maintain it than a mile of ordinary railroad. The highways have been graded, realigned, hard surfaced, and about everything has been done to invite or encourage high speed, until we find today speeds on the highway almost equal to anything being attempted on the railroads. In this respect the two roadways run on practically parallel lines, but there is tremendous divergence in the kind of equipment; the maintenance and inspection of that equipment; and the selection of the personnel responsible for the operation. The carefully selected employes to whom trains are entrusted, after examination as to their physical and mental qualifications, may be contrasted with the general *hoi polloi* that we find on the highways at all times—and which are vastly increased in numbers over week-ends and holidays; the times when their absence would be desirable and would go far towards enabling the approximation of what might be termed safe operation.

It is probably fair to say that about ninety-five per cent of the motorists of this country are reasonably careful, but the remaining five per cent represent a large army of more than a million reckless and incompetent drivers ". . . flitting about the country without any regard for the safety of themselves or their fellowmen. They include drivers who are deaf,

blind, of immature age or enfeebled by old age, those who are intoxicated and those who are analogous to the farmer's mule."

Requirements of Drivers

With no disrespect to those in charge of the licensing of drivers in this state, because the requirements are probably as rigid as in any state and more so than in most of them, let us see, first, what qualifications are required to operate an automobile, and, second, to operate a railroad locomotive.

In obtaining a license to operate a motor vehicle in this state, the applicant signs an application which is sworn to, giving name, address, age, sex, height, weight, the number of miles a car has been operated, and a statement that there is no mental or physical disability; that the applicant is familiar with the traffic laws; has not been convicted

of a violation of motor vehicle laws within four years, nor had any license revoked or suspended. Any person can make these statements and obviously the more unreliable the applicant and the lower his standard of citizenship — the greater the likelihood of misrepresentation or favorably coloring conditions to meet the requirements. The minimum age at which licenses are granted is sixteen, if the approval of parents or guardian is obtained; everyone over eighteen years is eligible and there is no maximum age. Road tests are given to the applicant to ascertain whether or not he is qualified to operate an automobile and he is also questioned as to his knowledge of the traffic laws. It is understood that there is the right to require applicants to take a physical examination, but such tests are infrequent. Statistics show that about five per cent of the male general public and one-half to one per cent of females are color blind and inasmuch as the

use of light signals is increasing, it is of utmost importance that automobile drivers should not be color blind. It is also important that they have normal hearing, but there must be hundreds of automobiles operated by drivers who are color blind or have impaired hearing. About one-fifth of the population have some impairment of hearing. Then, too, there are cars operated by cripples. It is submitted and figures given later will show, that such requirements will not eliminate the five per cent of the drivers who are a constant menace to safety.



The driver responsible for this disregarded oval sign, two lighted stop signs and a distant warning sign

Requirements of Railroad Employes

Now, what are the requirements of employes in train service? All are subjected to strict physical examinations by doctors specially trained for and experienced in that work. When a man enters the ranks of the firemen, — and he must be between 21 and 35 years of age — from

whom engineers are promoted, he undergoes a strict physical examination, with tests for color blindness and other defects in vision and hearing and if he does not pass the examination he is ineligible for employment. He is rejected if he uses intoxicants or narcotics. When firemen become eligible and are needed for promotion to engineers, and they must have fired for at least three years, they are again examined, both physically and with respect to their knowledge of the rules governing train operation, and the mechanical construction of locomotives. Until employes reach the age of 55, the physical examinations are not periodic, except as to vision, color perception and hearing, depending upon whether or not in the opinion of the supervising operating officers such examinations are necessary. Commencing at the age of 55, a strict physical examination is given once a year and when any defects develop which might result in accidents, such employes are re-

moved from train service to such service as their impairment will permit them to hold without the possibility of causing accidents. This is more than ordinarily impressive when contrasted with the recent request wisely made by Commissioner Stoeckel of the Connecticut Highway Commission, of the Yale football ticket authorities that they refuse to honor the applications of those who operate automobiles under the influence of liquor. The Commission has had its representatives visit those places where athletic victories are celebrated or the sorrows of defeat drowned, in an effort to prevent drunken persons from operating automobiles on the crowded highways. It is, of course, true that drivers who cause accidents while operating a car when under the influence of liquor have their licenses suspended or permanently taken away. Nevertheless an automobile driver is presumed to be sober until he has been in an accident; while on the railroad, employees with such tendencies are eliminated before the accident occurs.

The driver of an automobile is permitted to drive anywhere provided he observes the restrictions as to one-way streets, detours, and other related conditions. There are, however, thousands of drivers continually running over roads which they have never seen before. The locomotive engineer operating a train, on the other hand, must qualify as to his knowledge of the physical characteristics of the road in the territory in which he is to run and to which he is limited, and he must review such territory if he has not been in actual service within six months after qualifying, and this territory is usually restricted to a run of a few hours on a passenger train. The automobile driver is subject to certain tests from city and state police; he may be cautioned for exceeding speed or for failure to observe signals, but such tests are of necessity, extremely infrequent, and only when some rule is violated, — while men operating trains are continuously undergoing efficiency and observation tests by responsible officers, at unexpected and unannounced points, to detect any irregularities or non-observance of operating rules, signals, and so on. Nor does an engineer start on a run without having first come under the observation of a supervisory officer.

Rest Periods for Employees

In addition to requiring that its employees be in good health with normal eyesight and hearing, the railroad sees that such employes

as are involved in the operation of trains obtain adequate rest periods. Excessive fatigue results in a slower acting mind and body, producing an incompetent, unsafe worker or driver. The owner of an automobile may work all day and then drive his car all night with no such rest period as railroad employees are required to take. Only last Thursday, a man well known to some of our officers, and whose friends had remonstrated with him because of habitually overworking, fell asleep while driving his car at night, crashed into a standing trolley in New Haven and is now in the hospital with a fractured skull, broken jaws and other injuries.

Benefits of Speeding

It would be interesting to know how much actual benefit is obtained, in an economic way from the idiotic desire for highway speed. Look them over and estimate what, if anything, is accomplished in each individual case. A delay at a grade crossing is regarded as the unpardonable sin. There are probably few such crossings where the aggregate time of stopping would be as much as three or four hours out of the twenty-four. Yet an average of twelve hours is regularly met with at any street crossing equipped with light signals — and is readily accepted as a part of the day's work.

It has been shown that the appalling loss of life and injury is caused by reckless drivers and that the deaths and injuries at grade crossings, these too being usually due to carelessness, are but a small percentage of the total and that almost anyone is permitted to operate a motor vehicle.

More of our people have been killed in automobile accidents on the highways in this country since the World War than were killed in the war, and automobiles have injured many more of them than were wounded in the great war.

Reasons for Accidents

Statistics issued by the State of Connecticut for the year 1927 when there were fewer accidents than in 1928, — showed that there were 26,832 highway accidents of all kinds, in which 356 people were killed and 11,979 injured, with a property damage of \$2,763,341. Recklessness of operators caused 20,329 of these accidents; miscalculation and inattention totalling 7,955; failures to grant right-of-way numbering 4,525; skidding, 2,313; operating too fast for conditions, 1,111; and driving on wrong side of road 703. There were 457 accidents charged to intoxication and 426 to inexperience. These two classes of accidents along with others can-

not happen on the railroad. It is probably something more than a co-incidence or a mere happening that when one of the many accidents occurs on the highway other than at a grade crossing — a very definite cause is usually given, — it may be (and usually is) intoxication, recklessness, or carelessness, but when these same drivers meet or run into a train it is seldom the public or the press make any such charge. These drivers are of the same herd. We have yet to hear of an engineer, following one of these deplorable accidents, — being accused of being drunk, crazy, — or on the wrong side of the road, — sticking his arm out to indicate a move to the left when he means to the right, or the reverse.

The Careless Driver

As further evidence that grade crossing accidents are caused by careless and indifferent drivers and to indicate the extremes to which drivers will go to risk their lives and the lives of others on railroad tracks, let us mention some of our experiences during the 22 months ending with October 31, 1928, during which 311 motor vehicles ran into and damaged lowered crossing gates. In 1927 alone there were 186 such accidents, in 131 of which vehicles were struck by trains, and the remaining 55 where cars ran into the sides of trains. There were five cases where motor vehicles struck crossing watchmen; eleven where the crossing at grade had been eliminated but where the motor vehicle ran through the railings of overhead bridges, and fell to the tracks. Only last month a car containing seven men, — some or all of them drunk, — drove through an overhead bridge and dropped to the tracks forty feet below. Four of the seven were killed. Fortunately there was no train approaching at the time. Accidents like this, where the crossing has been separated, can result in the wrecking

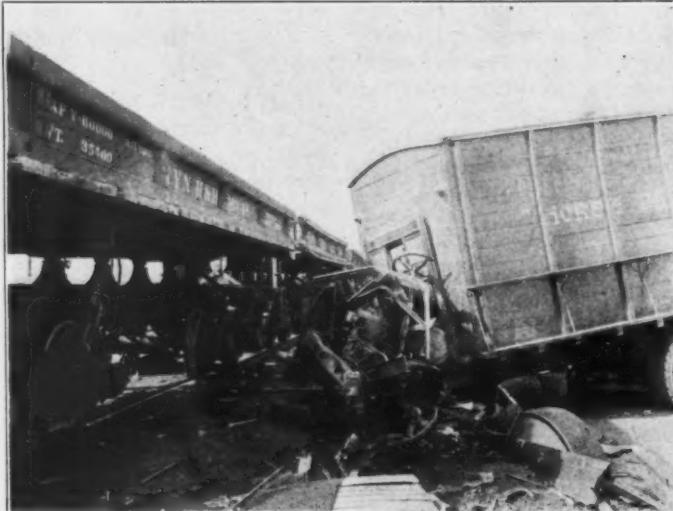
of trains using the tracks, with corresponding danger of death or injury to a large number of passengers, to say nothing of the engineer, fireman and other employes of the train, all of whom have a right to feel that they are protected from automobiles after a crossing at grade has been eliminated. In other words, a false sense of security to a large number, is being engendered. There were four additional cases where motor vehicles ran into railings on bridges and three more where automobiles ran through highway fences onto the tracks, apparently were too impatient to wait to get to a grade crossing to accomplish their purpose of landing on the railroad tracks.

There were two that ran off the highway onto the railroad tracks, five that were running along the railroad tracks, and twenty-five that ran into the fences provided by the railroad to keep them off. There were twenty-two motor vehicles that struck crossing or other signs, flashing lights, and so on, erected by the railroad at considerable expense for the protection of the motorists.

Cost of Elimination

From the foregoing it will be realized why we are losing faith in the eliminated or separated crossing; we would like an even break rather than to have loaded cars, with "loaded" occupants hurled at, or in front of trains, — sometimes from "on high" endangering hundreds of persons who have entrusted their lives to our safe-keeping.

Despite the conditions which have been outlined, whenever an accident occurs at a grade crossing, the hue and cry is that the crossing should be eliminated by providing an over or under crossing. The thoughtless advocates of that procedure do not realize that the cost to eliminate all the crossings in the United States would be some twenty billion dollars, an



Another view of the same accident

unthinkable amount for such purpose, and quite close to the capitalization of all the railroads in the United States. They overlook further the fact that although about one hundred million dollars a year is expended in eliminating crossings, there are at the end of the year more crossings at grade than at the beginning, due to the opening of additional ones, except in Southern New England.

To eliminate the 1703 grade crossings on the New Haven, would require an expenditure of more than five hundred million dollars, of which the railroad's proportion would be about two hundred million. The carrying charges on this investment would require a fifteen per cent increase in railroad rates, if applied to all traffic, or about thirty per cent increase if applied to freight traffic only. Obviously, neither the railroad nor the industries would relish this treatment. It is generally known that the New Haven has spent very large amounts in recent years to improve the operation and safety of its property. Stockholders had received no dividends for nearly 15 years, — until quite recently. If they had received a six per cent dividend during that period, — (fair return on the value of the property would justify appreciably more than 6%) — stockholders would have been paid in that period over \$134,000,000 in dividends. Instead of following that course, the New Haven's management deemed it wise to spend approximately \$125,000,000 for improvements to its property, a greater part of which constituted the sacrifice of the stockholders' dividends to the improvements of the property.

The railroad is still confronted with the necessity for large expenditures providing service is to be maintained and improved and capacity increased. The expenditures referred to have resulted in a great decrease in the fatal injuries as well as permitting more efficient operation, as indicated by the fact that fifteen years ago, some 300 lives were lost annually from all causes, which decreased to less than 100 per year in recent years.

It seems hardly fair that the railroad should be asked to spend exceedingly large amounts to eliminate grade crossings when at all grade crossings in Connecticut in 1927 only fourteen lives were lost, and the expenditure of this money in other directions will result in far greater safety and protection to human life, especially when it is considered that the evidence clearly indicates the careless automobile driver will find a way to kill himself or others,

even though grade crossings are eliminated, as is shown by the instances just cited.

Certainly the public that travels on the highways should assume a much larger share of the cost of future grade crossing elimination than in the past, because railroad trains have been decreasing in numbers and grade crossings have been more adequately protected at enormous costs to the railroad, while highway traffic has increased by leaps and bounds and accidents at grade crossings are due almost entirely to the carelessness of drivers who should not be permitted to drive automobiles under any conditions. If the public authorities cannot control such drivers and larger sums of money are to be spent to permit them to drive carelessly, that same public should pay the bill.

Underpasses and Overhead Bridges

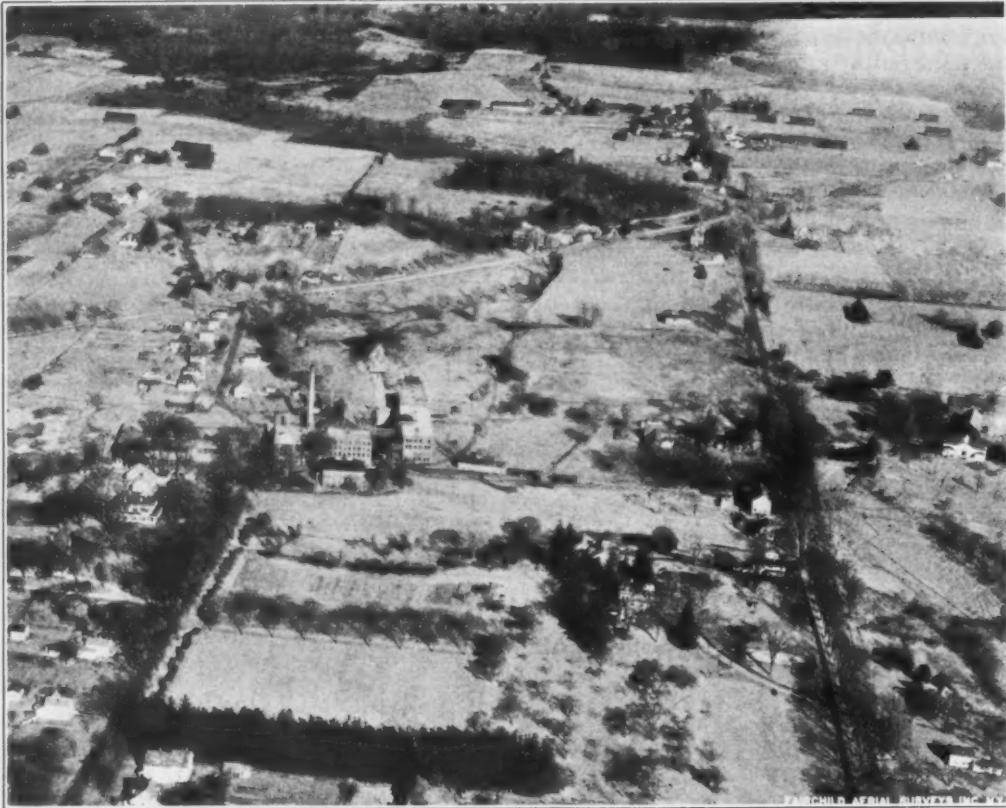
There is still another horn to the dilemma. Due to the universal use of the motor vehicle and because of the high speed at which they are driven, there is an increasing demand that existing overhead bridges and underpasses — which were adequate for the traffic when built, — shall now be widened, or shall be reconstructed with better alignment and greater clearances, and part of the cost is again assessed to the railroad. Apparently there is no end in sight to these expenditures, and in a way they impose upon the railroad a subsidy in favor of its competitors on the highway.

The Real Problem

While the public mind is diverted by the discussion and large publicity of occasional accidents at railroad grade crossings, hundreds of other accidents on streets or public highways are overlooked. The fact is that grade crossing accidents are merely a small phase of the big automobile accident problem. The highways must be made safe, but greater safety can be secured by the exercise of the police power to control the drivers.

As long as reckless and incompetent drivers handle automobiles they will be instruments of death and destruction regardless of whether there be railroad crossings or not. The necessity for adoption of the best type of signalling and uniformity in installation and understanding throughout the country is of supreme importance — and this is a practice that has been followed by the railroads and is now being advocated for the highways by the National Safety Council with the assistance and endorsement of the American Railway Association.

(Continued on page 27)



AERIAL VIEW OF THE J. B. WILLIAMS COMPANY, GLASTONBURY, CONN.

The J. B. Williams Company was established in 1840 by James Baker Williams of Manchester, Conn. Later, in 1847, the first factory was started on the present site, having a total floor space of 2500 sq. ft. and a force of from 5 to 10 employes making Yankee Shaving Soap. Today the space is 200,000 sq. ft., the capital \$1,000,000 and the number of employes 250. There are now about 80 agencies and factories located in every section of the globe. Shaving and toilet soaps, and toilet preparations including Aqua-Velva are the products.

Industrial News Around the State

Herman Roser & Son, Inc., Shown in Air View

The buildings of Herman Roser & Son, Inc., of Glastonbury, can be seen distinctly in the center background of the airplane view. This is one of the original tanneries which existed in nearly every town in the state less than 100 years ago, of which there are only two or three remaining. It is believed to be the only concern in the world now producing pigskin leather exclusively.

New Belting Company Organized

Since the dissolution of the Ulmer Leather Company, L. R. Cochran, G. M. Schelin, J. F. Wilde and L. N. Lanoie, the four Ulmer employes who were active in administering its affairs for the past few years, have organized The Thames Belting Company and will continue to manufacture leather belting and allied products as heretofore. All future correspondence should be addressed to The Thames Belting Company, Box 46, Norwich, Conn.

Bullard Machine Tool Trebles Shares

At a stockholders' meeting on January 4 the Bullard Machine Tool Company of Bridgeport increased outstanding shares from 100,000 to 300,000 of no par value and changed the firm name to "The Bullard Company". Directors have authorized the issuance of three shares of new stock of no par value for each share of old stock outstanding.

New Haven Makes Record

During 1928 the New Haven railroad's volume of passenger traffic reached fourth place among national carriers together with the attainment of the greatest speed in its history of freight transportation. The purchase of ten mammoth locomotives along with improvements in terminal facilities were the major factors responsible for the increased speed and dependability of freight movements. This improved condition of the New Haven has released large amounts of industrial and commercial capital because it is no longer necessary to keep large amounts of money invested in huge inventories on account of delays in freight deliveries. Common stock is now back on a paying basis for the first time since 1913, which speaks volumes for the vision and foresight of the management.

A. C. Gilbert Company to Build Addition

The A. C. Gilbert Company of Blatchley Avenue, New Haven, are now receiving bids through their architect, Robert H. S. Booth, for the erection of a new two story addition to their present plant. This extra floor space will be shared by both office and factory.

Sunfast Hat Factory Nears Completion

Two stories of the new Sunfast Hat Company Factory in Norwalk have already been completed. It is understood that the factory will be completed and machinery installed ready for operation by the early part of May. This plant when in operation it is understood will employ approximately 1,000.

Bridgeport Firm to Build Sport Plane

The Whittlesey Body Company acquired the manufacturing and selling rights of the Avio Avian sport biplane from the A. V. Roe Company Ltd. of London, England, early in January. More than 40,000 square feet of floor space will be given over to the manufacture of the plane.

Western Union Extends Service

A daily 50 word night letter service to important British industrial centers has recently

been inaugurated by the Western Union Telegraph Company. Rates for this service are two cents per word cheaper than the week-end or regular cable letter.

Navy Places Another Large Order

An order for 136 Wasp engines and 25 of spare parts totaling \$1,079,782 is the latest Navy contract received by Pratt & Whitney Aircraft Company. Other orders are expected in the near future if the Navy's present options are exercised.

Kilborn Bishop Appoint New Manager

T. W. Cahill, or "Tom" as he is familiarly known to the Sporting Goods division of the Hardware Jobbing trade, was recently appointed Vice President and General Manager of the Kilborn & Bishop Company of New Haven. Prior to this Mr. Cahill was General Manager and Assistant Treasurer of The Marlin Firearms Company. Halloway Kilborn, Vice President and Treasurer, is author of "Forging" and "Drop Forging" in the 1929 issue of Encyclopedia Britannica.

Billings & Spencer Close Big Contract

An order for twenty-one Billings board drop hammers involving \$50,000 has recently been given to Billings & Spencer by the International Harvester Company. This order will keep the plant running to capacity for at least three months. Production methods have been modernized, since a recent reorganization of the company, resulting in a steady increase of business from all parts of the world.

J. & J. Cash Company Hears From Byrd

A radiogram from the Byrd Antarctic expedition in the Ross Sea, conveys Yuletide wishes and an appreciation of the support the company had given in furnishing labels for clothing. Later, the company will receive a souvenir brochure which sets forth the details and objects of the expedition.

Engineers Club Dedicates Signs

In a widespread movement to provide identifying signs for the safety of aviators, the Hartford Engineers Club has sponsored a large sign on the roof of the new Hartford Gas Tank in Parkville and another "Hartford" sign on the roof of the Hartford Special Machinery Company on Homestead Avenue.

Pratt & Whitney Start Night Shift

In order to keep pace with a flood of orders recently received, the Pratt & Whitney Company have started night shift operations with a force of from 75 to 100 men. It is not known how long such operation will be necessary.

Transportation Department

Railroad Owned Cars Used in Intra-Plant Service

The American Railway Association alleges that the use of railroad owned cars in intra-plant service is causing the carriers a considerable loss of revenue, and further that the practice unjustifiably favors the plant which, working under the average agreement, uses railroad owned cars in intra-plant service, and discriminates against the industries whose intra-plant service is performed in privately owned cars, and also those industries subject to the straight demurrage plan. The American Railway Association Committee's proposal of which we have a copy would eliminate from the average agreement cars used in intra-plant service, and the assessment of demurrage with no free time allowance would, of course, require changes in several of the rules and perhaps additional rules.

If any of our members are interested in receiving further information with reference to this subject we would be pleased to furnish full details upon request.

Conference Rulings of Interstate Commerce Commission Rescinded

The following notice has been received from the Interstate Commerce Commission with reference to this subject:

"Since May 7, 1928, it has been the practice of the Interstate Commerce Commission from time to time to compile and issue for public information its conference rulings upon questions raised or submitted in correspondence. Reissues have been made, which, besides embodying new conference rulings, have revised or rescinded previous rulings which had become obsolete. The last issue of conference rulings bears date August 1, 1917.

"The Commission has considered the revision and possible enlargement of its conference rulings. Many of the rulings have been made obsolete, as the subject matter has since been dealt with in formal reports and orders of the Commission, or in various formal circulars. Others are incorrect, and should be modified or rescinded, because counter to subsequent acts of Congress. The conference rulings cover only a portion of the activities of the Commission. To correct and bring the outstanding rulings to date, without the formulation and inclusion of many like informal correspondence rulings

upon other phases of the Commission's jurisdiction, would give undue emphasis to parts of its activities.

"In the opinion of the Commission, although the rulings have served a very useful purpose in the past, it is not now practicable or desirable to revise and amplify them, or to continue their publication. Accordingly the Commission has ordered that the conference rulings be rescinded in their entirety and their use as authority be discontinued. This action has been taken without conference to the correctness of individual rulings."

Container Service

The Interstate Commerce Commission has entered an order for an investigation thereof, hearing to be held in Washington, February 6, 1929.

Our traffic committee has discussed this subject on various occasions and we would suggest that if any of our members are particularly interested they communicate with the traffic department of the Association at the headquarters office.

New Ruling for Export Shipments

Concurrent action by the Department of Commerce and the United States Treasury in the prescribing of rules to assure procurement of accurate export statistics and the inherent force of Sections 16 and 17 of the shipping act practically will compel ship lines carrying export traffic to adopt classifications of merchandise akin to the classifications observed by the railroads. The ships of the North Atlantic United Kingdom Freight Conference, on January 1, will begin forcing shippers over their lines to give accurate descriptions of merchandise they offer for export instead of allowing them to use generic terms. Notice of their intention is to be found in a brief announcement given out by that conference.

Identical regulations adopted by the Department of Commerce and the customs part of the Treasury to govern the gathering of export statistics go into effect on January 1. In its regulations the Department of Commerce has published what it calls "Schedule B, Statistical Classification of Domestic Commodities Exported from the United States". That schedule looks somewhat like a railroad freight classification. It will govern shippers in preparing their export declarations, the masters of ships

in making manifests, the issuing of bills of lading, getting up of ship clearance documents, and the collectors of customs in making their reports, for statistical purposes, to the Department of Commerce. The schedule is part of instructions addressed to collectors of customs "and others concerned." Article 1140 of Treasury Department Customs Regulations says that the descriptions of merchandise in export declarations must be stated in specific and not generic terms in sufficient detail to permit their classification under the proper classes shown in Schedule B of the Department of Commerce regulations herein mentioned.

Refusal of clearance for the ship by the collector of customs is the penalty by which such precise description of the merchandise offered for export is to be obtained, the regulations saying that clearance shall be denied in the event of failure to furnish such descriptions. The net effect of the regulations is to require specific descriptions in the export declaration of the shipper and in the master's manifest of the cargo. They must agree and be attested by an oath.

Schedule B, in some of its parts, is more detailed than any of the freight classifications, while in others it is less detailed. For illustration, under the heading of "Machinery and Machines" the schedule has about 240 different sorts. That is, more than a freight classification of the railroads contains. "Paper and Paper Manufactures" are divided into only about thirty items, which are fewer than in railroad freight classifications.

All these things are ordered to enable the Department of Commerce to issue export statistics that will mean something to exporters by reason of their detailed character. The force contributed to cause this close attention to the classification of articles to be carried in export commerce by the shipping act is contained in sections 16 and 17. The first forbids unjust discrimination, by ships, between shippers by allowing any to obtain, "by false billing or otherwise," transportation less than at the established rates in use or to give any undue or unreasonable preference or advantage to any

particular person or description of traffic whatsoever. Section 17 requires every carrier by water to establish, observe, and enforce just and reasonable regulations and practices relating to or connected with the receiving, handling, storing or delivery of property. The two sections together make it the duty of the carrier to adopt such means as will assure uniform application of its rates, whatsoever they may be.

The North Atlantic Conference lines do not file tariffs or classifications of merchandise with either the Shipping Board or the Interstate Commerce Commission. There can, therefore, be no tariff violation either by the shipper or carrier such as is forbidden by the interstate commerce act. Shipments by vessel are still made by the old contract method. That is, the shipper and the vessel agree on the rate to be charged. The rate fluctuates as the necessities or desires of the contending parties dictate. But the shipping act forbids discrimination between shippers. That being the fact, there is need for the carrier to have a precise description of the merchandise to be carried to the end that it may not unwittingly discriminate between its customers. Generic descriptions of "groceries" and "machinery," for instance, will not do. Canned goods are groceries, so are jams in glass, but generally they do not take the same rates. It is necessary for the carrier by water to know whether the groceries are jams or canned goods, so that it may not be found that under the head of groceries it has carried jams for one rate and charged a higher rate to the shipper who specifically described his groceries as jams. Specific descriptions, to be copied into the bills of lading, it is believed, are needed for the protection of the carrier against a charge of unlawful discrimination. Such descriptions are also needed in the ship's manifest as a condition precedent to its clearance by the collector of customs; hence, the notice of the North Atlantic United Kingdom Freight Conference lines announcing that on January 1 specific descriptions would be required. If Schedule B does not afford such descriptions, it is believed, the shipper will have to apply to the carrier for help on that point.

*Building Construction
Supervision and Inspection
Industrial Reports
Roads and Pavements
Traffic and Safety
Estimates and Reports*

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Tel. 2-2095

CONSOLIDATED REPORT - F

TRAFFIC MANAGEMENT

Sponsored by the Association in cooperation

Lesson No.	I		II		III		IV		V						
	Enrollment	Attendance	Instructor	Enrollment	Increase or decrease	Attendance	Instructor	Enrollment	Increase or decrease	Attendance	Instructor	Enrollment	Increase or decrease	Attendance	
Traffic Management	Bridgeport	12	12	A	12	0	9	A	12	0	A	12	0	5	
I (first semester)	New Britain	8	5	A	8	0	8	A	8	0	A	8	0	6	
II (second semester)	New Haven	17	17	A	18	2	16	A	18	0	16	A	19	1	16
New London	10	10	A	11	1	11	A	11	0	11	A	11	0	9	
Stamford	22	19	ABC	22	0	17	ABC	22	0	15	ABC	22	0	18	
Waterbury	14	14	A	18	4	14	A	16	-2	14	A	16	0	17	
Total		83	77		89	75		87	72	88		76	88	71	
Traffic Management	Bridgeport	13	13	B	13	0	9	B	13	0	B	13	0	11	
I (second semester)	Hartford	10	10	A	10	0	10	A	13	3	12	A	13	0	13
II (second semester)	New Britain	12	11	B	12	0	10	B	11	-1	10	B	11	0	10
New Haven	16	13	B	16	0	14	B	16	0	15	B	14	-2	14	
Waterbury	18	17	B	18	0	17	B	18	0	17	B	18	0	18	
Total		69	64		69	60		71	62	69		64	69	61	
Grand Total		152	141		156	135		158	134	157		140	157	132	

FACULTY

	Bridgeport	Hartford	New Britain	New Haven
Instructors A	H. J. Bensie General Electric Co.	O. R. Peterson J. B. Williams Co.	P. H. Ramsdell Stanley Works	R. A. Benoit Acme Wire Co.
B	R. W. Miller Crane Company		A. H. Petts American Hardware Corp.	N. W. Ford Winchester Repeating
C	S. Sanford Harvey Hubbell, Inc.			C. D. Avery N. Y. C. R. R.
D	J. C. Hunting American Chain Co.			A. D. Spang Winchester Repeating
Supervisor	W. H. Pease Bridgeport Brass Co.			C. C. Phillips National Folding Box
Educational Director	C. E. Scofield	J. S. Augur	B. L. Long	S. W. Tator

SUBJECT MATTER

Traffic Management I (first semester)

Lesson I The Industrial Traffic Department
 II Development of Transportation and Its Regulation
 III Modern Transportation Agencies
 IV Shipping Papers
 V Freight Classifications
 VI Interpretation of Classification, Rules 1 to 13
 VII Interpretation of Classification, Rules 14 to 41
 VIII Freight Cars: Weights and Weighing

FIR T - FIRST EIGHT LESSONS

MAGEMENT COURSES

cooperation with Y.M.C.A.s in cities mentioned

	V	VI	VII	VIII	Statistics
2	0 5	A 12	0 8	A 12	0 8
3	0 6	A 8	0 5	A 7	-1 5
0	1 16	A 21	1 16	A 21	0 17
1	0 9	A 11	0 9	A 11	0 6
0	-2 18	ABC 20	0 9	ABC 20	0 13
7	1 17	A 17	0 15	B 17	0 13
8	71	89	62	88	63
3	0 11	B 13	0 6	B 13	0 8
3	0 13	A 13	0 10	A 12	-1 10
1	0 10	B 11	0 8	B 11	0 11
4	0 13	B 14	0 14	B 14	0 14
6	0 14	B 18	0 16	C 18	0 15
9	61	69	54	68	58
7	132	158	116	156	121
					157
					115
					155.4
					129.3

ACULTY

	New London	Stamford	Waterbury
It Co.	R. A. Benoit Acme Wire Co.	H. W. Browne Yale & Towne Mfg. Co.	F. A. Brown Scovill Mfg. Co.
Repeating Arms Co.		C. W. Gallagher Bussell, Burdall & Ward Bolt & Nut Co.	F. H. Vickery Chase Companies, Inc.
Y. B.		P. Banks N. Y. N. H. & H. R. R.	J. B. Griffin Scovill Mfg. Co.
Repeating Arms Co.			
lips olding Box Co.			P. W. Brown Chase Companies, Inc.
C. Williamson	H. F. Sweet		A. L. Purinton

ATTER OF LESSONS

Traffic Management II (second semester)

Lesson	I	Tariff Construction
	II	Rate Elements and Rate Construction
	III	Determination of Rates Applicable
	IV	Differential and Combination Rates
	V	Proportional Rates
	VI	Local and Joint Tariffs and Exception Sheet
	VII	Trunk Line Class and Commodity Tariffs
	VIII	Rail-and-Lake Class and Commodity Tariffs

The Anti-Trust Laws

By CHARLES CHENEY,

President of Cheney Brothers

I THINK that we will be apt to confuse our minds and get into some difficulties if we try to approach this subject seeking for a solution, with our minds fixed on certain technical points at issue. I always like to get back to the underlying principles and ideal which should govern our conduct and guide us. Now, I would like to go back over some hundreds of years, if you are willing to tackle such a job as that — go back to a previous condition of civilization. We had under the old regime in Europe practically only one main source of wealth, namely agriculture. Industry was undeveloped, the more established forms of commerce were in an undeveloped state, and it was a case of each community, and almost each family living economically independently.

Take a trip up into northern Quebec to see how this old system still survives there. I am privileged in having spent some years in France so that I have learned the language and I have wandered around these farms in Quebec with much pleasure. They are self-sufficient — each one an economic unit — and you find repeated there today the old conditions. You will find the farm and woodlots, and along with it, you will find a little industry going on, all under the one roof. There is a little flock of sheep; the farmer shears his own sheep and the farmer's wife scours and dyes the wool. Then, she does take one step out of her regular path. She goes down to the village and has it carded in a very primitive little carding mill. The wool is then taken back to the farm and the woman and her daughters spin it into yarn upon an old hand spinning machine, similar to those that we buy as antiques for our houses. After she spins the yarn, she makes a warp, puts it into a hand loom, and takes some of the same yarn as filling and weaves the cloth with her own hands.

Then, it goes to the village for fulling and pressing. It is made into garments by her. This is all just as it was in the old feudal system in Europe, when industry was hardly more than an adjunct to agriculture.

Industry was something hardly entering into the picture. Consequently, competition was for control of the land, because he who controls the source of wealth, the source of productive contribution to the life of the country, gets the

power, and my guess is that people who go after wealth are really seeking power. Never let us disassociate the two things from our minds. Under that plan, was built up the "feudal system." I suppose the same kind of man came to the fore then as now in our new industrial era.

Probably the most capable and honest man came into possession of the lands, by ability, foresight, courage, and sometimes by force or evil practices — but the most able men got it, and they felt just exactly as we do, that they were the people to whom the rest of the earth should look. They built the towns and the churches and the fortifications and provided protection. They did everything civic, they did every good work, and they felt that they were fine — and they were fine — and it would have gone on indefinitely, except for one thing. The control of wealth, with its accompanying control of power, always results in one thing if it has not an adequate check and control to go with it, and that thing is tyranny. When you give people the opportunity to take unto themselves the wealth of a country and the control and power that goes with it, if you do not combine that freedom with adequate checks to keep them from doing evil things against public welfare, the result has always been and always will be tyranny. That is just what we started to. We passed out of the agricultural into the factory

The accompanying remarks were presented extemporaneously by Mr. Cheney at the meeting of the Board of Directors of this Association held in New Haven on November 27th. The address on this subject delivered by Felix H. Levy at the same meeting was published in the January issue.

and industrial era. This made a complete readjustment of society necessary. We are in the throes of an effort to readjust our ideas of life to changed conditions and are still in a transitory stage, and this it is that is dominating the present-day life in the world. We are trying to find a new balance between the masses, the wealth, the administration of industry and of the governments and the relations between nations. This is the thing which is straining civilization to its core.

This is the great problem which is at the root of all big problems today. Our whole political and industrial system tried to find a new balance and to re-adjust human relationships and that is what brought about the World War, and that condition will break down the modern structure of civilization if not solved. We have to find the answer. We are on the right and hopeful road. When conditions which existed under the feudal tyranny finally led to revolt and to its overthrow the world felt that freedom was won and that Liberty was for all time safe. Then the scene changed and the drama moved on in another setting.

When we got into this industrial era, the same thing took place that had existed under the feudal system. The best men came forward and put themselves at the head of industrial development, and they began, just as had the old feudal lords, to obtain control of wealth and the control of power. It is no mere figure of speech to speak of "The Barons of Industry." That is just what they were, and we were heading for just the old evils. The people became aroused to the danger which hung over them and they set themselves to find ways of checking this menace. This brought about the Sherman Anti-Trust Laws. That is why I feel that this is not, as has been said here, an economic problem. It is a political problem as well as an economic problem. The issue at stake is the privilege of human liberty. I believe that the enactment of the

Sherman Anti-Trust Laws was the perfectly natural, logical, necessary and wise development to meet this situation, and it worked. It was not by chance that the railroads and the Standard Oil Company gave up their system of rebates, and that the tendency to monopoly was checked. The public demanded to have a new feeling of assurance of liberty.

I think that it is wrong to assume that just because people amended their manners, we could forget all that was done, or feel sure that the fight for freedom was over. If we do not preserve these checks, human nature will reassert itself and evils will reappear, always in new forms. We will have some new deviltry and come to the same point where uncontrolled power will exceed its bounds. We must preserve adequate checks and limits.

I do not think the laws are perfect. I agree with all Mr. Levy said about the need of some new modification which will at the one time preserve our liberty and give us the freedom which we need from these restrictions, which are very irksome, but do not let us fall into the temptation of thinking that because something

is inconvenient, we should go to radical extremes of attempting to root out that which is fundamentally right.

I want to point out that these Sherman Anti-Trust Laws do many good things which perhaps were not present in the minds of those who enacted them. They were gunning for the Standard Oil Company and they shot into the flock and hit some birds they did not aim at. They enacted the law which struck our old friends the American Federation of Labor. Do not let us think that this is a side issue; it is just as important as the other phase.

We started out to check evil conspiracies and we made a law which hits conspiracies of the mob just as directly as it strikes conspiracies of what some people are pleased to call the monied power. The result of it is that we have



CHARLES CHENEY

preserved the right of men to the protection of the liberties which the Constitution of the United States grants to them. Mr. Levy has referred to the work of the League for Industrial Rights. I think they have done a big work. They have not rewritten the Constitution of the United States, they have done a great deal more — they have kept it from being rewritten. The court decisions obtained through the work of that organization by the application of these laws which we are discussing this morning, has resulted in the maintenance of American individual freedom and the right of all organizations and all men to exist free from the uncontrolled tyranny of the masses as well as of the interests. It has been said that we are not having much trouble with them now but that we are getting on finely with them. That is because we have these laws to protect us. They have learned a lesson and cannot do the things they used to do, and are behaving well, but you turn them loose and see what will happen.

We have had pointed out here the beauties of the way they do things in England. They may be away head of us in the administration of law but they have not any Sherman Anti-Trust Laws. The result is that England is practically bound hand and foot to the control of their Labor Unions and they cannot say "boo" unless their Unions say they can. They are dominated by a system which is going to break down the British Empire if not checked. What holds it together? Of course, the British Empire without England would be a joke. What keeps England in the front rank? Its commerce and trade. England with all its wonderful history and romantic background would not survive unless she could trade in the markets of the world, and she is trying this with a millstone around her neck.

The whole Labor Union philosophy is that the limitation of production creates an artificial demand for labor, which increases competition for labor, thus producing an increased wage, which, in turn, is good for the working man. If you do not believe it, read the speech of President Green of the American Federation of Labor written Monday, the 26th. We were

told that our Federation of Labor had given up the old idea of the restriction of output, that they had learned the lesson that the prosperity of the working man was not injured by giving free rein to production, but yesterday, President Green comes out and says that they want a five-day week in order than modern industry shall not produce too efficiently. The same old doctrine is there, and it is false. The true doctrine is that the more we produce, the larger the amount will be to divide. Labor will get an increased share, just as capital will. But they do not believe this. This very doctrine will ruin England, if they do not find the way out of their trouble, which they probably will.

There are proposals now going before Parliament to do something about providing checks upon the actions of their Labor Unions similar to those contained in our Anti-Trust Laws. Do you realize that the United States is the only country in the world in which there is such a thing as labor litigation? We are the only country where you can go to the courts and ask for damages against the Labor Unions. Great Britain, by specific act, has put the Labor Union above the law. The Labor Unions cannot be brought into court in England. I am not yet ready to say that I am willing that in America there should be any body of men, or any combines of interests, that stand above the law. We won't stand for it. Do not think that this Labor Union issue is a side issue. It is as important as the other side.

Now, these laws put a crimp in something else which has been alluded to this morning. Labor Union restrictions were not the only thing we had to fight. It has been pointed out here why it was a fine thing for wholesalers to get together and tell us what we ought to do or what retailers to sell to. What is the matter with the textile industry of New England? In part they are suffering from the domination of wholesalers. What have the New England textile people done? They have some mills and machinery and know how to make goods. They put themselves in the hands of a commission house, and the commission house tells them what goods to make, how much stock to carry, and what prices they will give for them. The

All good growth in civilization, as in nature, has been a slow process. This is part of God's plan of economics to protect his own against themselves. Changes in existing laws and customs are gradual, — but, in the settling process, most of the cream rises to the top.

mill man has nothing whatever to do or say about his line of goods or his own protection in outlining his fiscal policy, and does not know the names of the people to whom his goods are sold. He consigns his goods to New York, and New York distributes and bills them. He does not know where the goods are or what price they have sold for. He is not master of his own house. I do not want to say it is all right for a combination of wholesalers to get together and control the productive industries, as that is just as much a menace as the Labor Union. I think there is a wholesome check there.

The Sherman Law is not acting in the way in which it was intended to act. It was set up to prevent the accumulation of industries in big mergers, which were believed to be a menace. The precise restrictions of the law have been liberalized and it has been determined that it is legal for people to combine in consolidations, at least up to a certain point. The laws

have been liberalized in other ways. Perhaps the other ways are not so generally appreciated, but at all events, whether it is through court decisions or interpretations, we have brought about larger consolidations and they are operating efficiently and successfully, and, in this day of so-called "profitless" prosperity, we have certain outstanding companies in many lines of business which are enormously successful and which at the same time are serving the public well! Right in this stock market, we look at it and see all the money that is being spent and wonder if everybody is going crazy. You will notice that many shares are being bought in these industrial corporations. These corporations, stock in which is being bought so much, are making enough profit to almost justify even these prices because of the wonderfully increased efficiency of operation, and especially of distribution, with the result that companies like General Motors, General Electric, DuPont, or Radio Corporation of America, are going ahead and making a "profitable" prosperity. It has been shown that the most efficient and most successful corporations are those big ones, and, strange to say, the result

has been contrary to anticipation. These great consolidations have not resulted in increased prices to the consumer. On the contrary, the increased price which has resulted in these controlled industries has only been about half as much as it has in the case of most other commodities. They have been an effective economic instrument for the use of modern civilization. I think it is wrong that it should be possible for companies to merge together in a consolidated unit and effect the control of an industry where it would not, according to the generally accepted belief, be possible for them to agree among themselves to the same extent and maintain their liberty and individuality. That I do not like. I think, however, that they have more liberty in that field than they suppose. Mr. Levy says that this is only the belief or imagination of Mr. Montague and that he is a minority of one. Well, I know some others and some of them are the ablest men I know, who think

we need a change, but who think a way can be worked out through the Anti-Trust Laws, with a modification to which I will refer in a moment.

Now when we start to work repealing these laws, we are undertaking a big proposition. The country is not going to let you do it. The country is convinced that these laws give them something which they need, and, if you could do it, you would wipe out at one stroke twenty years of economic evolution, and would presently discover that you had not done anything. What are the laws? They are putting into statute form all the principles of the common law which existed before the Sherman Laws. Repeal them and where are you? Back on the common law which would be very nearly the same thing. It would upset two full business generations of experience. I want to point out that if by any chance these restrictions and restraints should be taken away and we should be left free to act without the control which we chafe under, the matter would not end there. You may be sure that if your restrictions are taken away there will be something else substituted. You are not going to be given carte blanche to do as you please. Inevitably, if you

Mr. Cheney's "point of view" is always refreshingly clear no matter upon what subject it is given. His opinions are highly regarded and sought after by business executives all over the country. The lucid flow of words as set forth in this speech show him in his true light as a member of the "new day industrialists" who are breaking down the barriers surrounding business and blazing new trails for industry.

relieve yourselves from these restraints there will be substituted some other form of governmental control through channels which will be worse. I would far rather operate at some disadvantage under legal restrictions than to have to operate under and be inspected by some bureau in Washington. We may jump out of the frying pan into a very, very hot fire.

Aside from the liberalization of the laws, which have been referred to as an attitude of the administration, there is the changed legal interpretation, which is not immutable, but which cannot be changed for a fancy. We are not going to change this legal interpretation because we elect a new man President. It would take a long time. So you see, we have something solid upon which to base our belief in the liberalization of these laws. We have a real change in public opinion. I believe in response to that public state of mind, the Federal Trade Commission is taking a new position which I think has great promise in it. The Federal Trade Commission has changed its attitude which Mr. Levy has pointed out was considering only the interests of the consuming public. They no longer say, "If something hurts you industrialists, we are sorry for you, go to the courts or to Congress, we are here to protect the consumer." The first step was that they began calling trade conferences where they got all the interested parties together to see if they could draw up regulations which would apply to certain industries, and they have had many of them. The usual form of procedure has been that a certain industry has formulated a code and has presented it to the Federal Trade Commission to pass on. The Commission formally approves certain of the rules and this means that they take the moral responsibility of enforcing them, because these regulations come within the scope of the laws which they are empowered to enforce. If the code contains rules which the Commission does not formally accept, they inform the industry that they have noted these rules but that they will not undertake to enforce them. The Cotton Seed Oil Press Association came before them and submitted thirteen rules. The Commission stated that they approved, and hence will enforce, five of the items, but as to the remaining eight, they stated that they took due note of them but for the first time added that they considered their infraction as unfair competition. Unfair competition cannot be defined. The Federal Trade Commission is instructed to stop unfair competition. It is given a very

free hand to determine what is unfair competition, and, unless frankly wrong, their ruling will stand in the courts. Therefore, this new pronouncement is extremely significant.

I understand that Mr. Matthew Woll favors an amendment to the Anti-Trust Laws because it will help business. That is very kind of Mr. Woll. He has always been solicitous about the welfare of business. When I was a boy my father said that when anybody tells you something, no matter how much you trust his honesty, you must always consider in addition to the evidence submitted what are the probabilities. We have been fighting for years the amendments proposed by the Federation of Labor which were designed to take them out from under the operation of these laws. Now when they have failed they say they wanted to be nice to us. So Mr. Woll's representations do not go with me.

It is sensible that there should be something done which will permit of a cure of such a situation as exists in the coal or textile industries, but what is it? We want to keep the checks against wrong doings, and against evil conspiracy on either side. Here is where I come around to check with Mr. Levy. What we want to do is to say that we will agree to an amendment to Anti-Trust Laws to this effect:

The prohibition of this law shall not be operative unless it appears to the court that the acts complained of are contrary to public interest.

I have been trying hard for years and years to obtain the liberty to maintain my resale price and I believe that is something which did not come within the intent of the Sherman Laws. I believe that the denial of the right to maintain a resale price is a great evil which should be corrected. It is now said, "When I buy your silk, it belongs to me and I have a right to sell it at any price which suits me." That is true if what he has bought is silk alone, but it is not true if what he has bought is my name. When he buys my brand of goods, he buys my reputation and my good will, and he is not entitled to use that as an advertising lure to get people into his establishment just to sell something else. Time after time, we have heard of people who have only a very small amount of our silks in stock and advertise them at cut rates to get people to come into the store. There is all too often some kind of misrepresentation in connection with these cut price sales. I will cite the case of a man who, as an

(Continued on page 27)

Price Stability

from the

Standpoint of the Manufacturer

The following is a reprint of an article written for the American Business Magazine by L. S. Horner, president of Niles-Bement-Pond Company of which the Pratt and Whitney Manufacturing Company is a subsidiary. This article is part of the general activity started some time ago by President-elect Hoover to introduce better business policies into industry.

THE mortality of industry as reported monthly by the Credit Associations, the 40 per cent of all manufacturing industry reported by the Department of Commerce as showing a loss on operations and the small percentage of the 60 per cent which made any profit actually showing a reasonable profit, should cause the executives of our country to pause and consider, "How can we correct this situation?" Mr. Klein, of the Department of Commerce, with a cross section of conditions in an industry before him, made the very striking statement in a recent address, "The Volume of Output, however economically achieved, is of no Ultimate Value whatsoever in our operations without a corresponding Volume of Profit to the Manufacturer."

Many of our executives in key industries are being deluded by their Sales and Production Managers into the belief that volume will reduce cost, regardless of the price level at which the volume is secured. They are deluded still further by lack of accurate facts on what volume is actually available in a given industry. Let us illustrate by

a specific case which recently happened: Six executives in a basic industry sat around a table — they represented about 80 per cent of the dollar production of this industry. Each executive was asked, "What do you feel is the total dollar demand for your production for the year 1927?" The totals as estimated by these executives, when compared with the totals as actually made by their companies, proved the amazing difference of more than 300 per cent. Just visualize what effect this estimate had on the price policy of each company — they said to themselves, "We must get a larger percentage of volume and thereby reduce cost," — and they figured the volume 200-300 per cent more than it was. Result — lower price level on a volume one-third their estimate.

One-Price Policy

The business policies which must control an industry successfully fall in three major heads: Design or quality — efficient low-cost production — effective distribution, and distribution is recognized today as the most serious and the



LEONARD S. HORNER

least really solved.

Industry exists to create a profit, and in our mad rush for size and volume we too often forget this profit. The question, therefore, uppermost in the minds of our great leaders, is, how shall we insure a profit on our products.

It is my firm belief that the most effective way is to establish an unalterable policy that the price at which our products are sold will be determined before the bid is made — taking into consideration all the elements governing the price — and when this particular price is made, to adhere to it absolutely. It is known in business today as a Firm or One-Price Policy — it insures Price Stability.

There are few executives who, with True Cost based on good, sound, accurate cost accounting methods, will deliberately set a price on a bid which will not show a profit. But there are many executives in many basic industries who have not the backbone to adhere to the price determined when they are told fairly — or otherwise — that they will lose the order if they do not reduce the price made. Too many executives have an "asking price and a selling price," to use an oft-quoted expression.

The great buying executives of this country who have given this subject much thought and careful study will acknowledge that they much prefer to buy from concerns which have a one-price policy, because much of their time is saved — they know that they are protecting their companies, because no competing concern can buy from the one-price company any lower than they can. The old time purchasing agent who feels that he is making his own job more secure by the policy of playing one competitor against the other, and thereby beating down the price, is not so highly considered as he once was — and they are getting fewer and fewer.

A Survey Should Be Made

A Firm Price with a profit is becoming recognized as an asset to the big thoughtful buyer, because the supplier who has this policy usually furnishes a better product — gives better service and in the long run improves and often lowers the cost and price of his product by conducting proper research and engineering study and improvement of facilities.

In order accurately to determine what the Firm Price must be, a careful survey of all conditions must be made — not based, as is so often done, on buyers' statements, salesmen's guesses or alibis, generalities expressed by competing executives, and other dubious ways. What must be obtained are facts. The natural query is how they can be obtained. The answer is obvious — through a properly directed Association or Institute composed of the actual directing heads of the industry, guided by a secretary and counsel who will provide the machinery to get the facts. When the association is set up seriously and effectively, the directing executives will contribute monthly the facts regarding the industry — their individual facts will be strictly confidential, but the totals will be given each company contributing their facts. What an able executive wants to know is Trends, not 100 per cent Totals. Therefore, 75-80 per cent of the industry in dollars or quantity is sufficient — the full 100 per cent would not change the Trend any reasonable percentage, certainly not 2 per cent.

The big items provided by the Association are:

1. Acquaintance and confidence between directing executives (agents won't do — the executive himself must actually give his time and attention.)
2. Current Facts every month on vital points — Production, Orders, Shipments, etc.
3. True Cost based on Uniform Cost Accounting methods.
4. Reduction of types or kinds, sometimes called Standardization and Simplification.
5. Elimination of waste — exchange of methods used by various companies is invaluable.
6. Education of executives and customers in fair practices — good faith.

A Price With a Profit

There is required patience and kindliness in the efforts to put into effect the working up of these six major ideas, but they are well worth the money and effort.

When the executives feel that progress has been made, they can then individually begin to use the facts thus obtained and on them base

(Continued on page 27)

Foreign Trade Tips

Shipments to Uruguay

THE Hartford Office of the Bureau of Foreign and Domestic Commerce is about to receive and carry to its headquarters in Washington a formal complaint to be filed by the Traffic Department of the Association in behalf of interested members protesting against the proposal of the government of Uruguay to put into effect on March 13, 1929, a regulation requiring that shipping marks, net and gross weights, and numbers must be branded on shipping cases going to that country. The composite complaint is in response to the Association's Traffic Bulletin No. 318, asking members for a statement of the difficulties, additional cost and delays which the new regulation may impose. In order to permit members who have not yet replied to become parties to the complaint, it has been temporarily withheld.

Foreign Representatives Returning on Leave

The following foreign service officers of the Bureau will return to the United States on leaves of absence during the year 1929 and will be glad to come to Connecticut to confer with manufacturers regarding conditions at their posts:

Name and Title	Post	Approximate Time in U. S.
J. Arnold, C.A.	Peking	Apr.-Oct.
T. C. Barringer, T.C.	Singapore	Dec.-June '30
C. C. Brooks, C.A.	Montevideo	July-Dec.
H. D. Butler, A.C.A.	London	Mar.-Sept.
H. A. Butts, C.A.	Tokyo	Apr.-Oct.
Wm. L. Cooper, C.A.	London	Sept.-Mar. '30
M. A. Cremer, T.C.	Sao Paolo	Dec.-June '30
A. E. Ellis, T.C.	Bogota	July-Dec.
J. A. Embry, A.C.A.	Vienna	Sept.-Mar. '30
J. B. Foster, T.C.	Wellington	Feb.-Aug.
H. S. Fox, T.C.	London	July-Dec.
H. L. Groves, C.A.	Vienna	Mar.-Sept.
B. M. Hammond, T. C.	Milan	Feb.-Aug.
E. D. Hester, T. C.	Barcelona	Apr.-Oct.
C. Jackson, C.A.	Rio	Dec.-June '30
E. P. Keeler, T.C.	Constantinople	Nov.-May '30
W. L. Kilcoin, A.T.C.	Johannesburg	Mar.-Sept.
C. A. Livengood, C.A.	Madrid	Feb.-Aug.
H. C. MacLean, C. A.	Paris	July-Dec.
W. L. McCreery, T.C.	Sao Paolo	Mar.-Sept.
J. R. McKey, A.T.C.	San Juan	Oct.-April '30
M. M. Mitchell, C.A.	Rome	Apr.-Oct.
G. C. Peck, C.A.	Panama	Sept.-Mar. '30
Don Renshaw, T.C.	Singapore	Dec.-June '30
J. D. Smith, A.C.A.	Lima	Jan.-July
C. B. Spofford, T.C.	Calcutta	Mar.-Sept.
F. Todd, C.A.	Havana	June-Dec.
J. F. Van Wickel, C.A.	The Hague	Oct.-Apr. '30

Arrangements for conferences with these Trade Commissioners and Commercial Attachés may be arranged through the Hartford Office of the Bureau. As there is a considerable demand on the part of manufacturers in all sections of the country for interviews with these men during their leaves, it is recommended that arrangements be completed as far in advance as possible. Manufacturers desiring to investigate new foreign markets for their products are especially invited to take advantage of this opportunity to secure first-hand and complete up-to-date information.

Recent Publications

Publications issued by the Department of Commerce during the last month that have the most direct interest for Connecticut manufacturers are listed below. Copies may be purchased through the Hartford Office. A complete list of all publications available will be mailed upon request.

Sources of Foreign Credit, Information, Revised, 1928, compiled by A. S. Hillyer. Trade Information Bulletin No. 292; ii + 54 pages. This revised edition contains considerable information not appearing in the previous editions and is issued as a guide to exporters. Price, 10 cents.

International Trade in Clocks and Watches. Trade Information Bulletin No. 585; ii + 62 pages. Brief account of the clock and watch industry and trade of different countries. Price, 10 cents.

Advertising Automotive Products in Australia, Japan, and Islands of Pacific, compiled by J. A. G. Pennington. Trade Information Bulletin No. 589; ii + 49 pages. Study of the factors which enter into the marketing of motor vehicles in the Orient and the advertising mediums available. A bibliography is included. Price, 10 cents.

Trade Opportunities

Reserved information on the following trade opportunities may be obtained from the Hartford Office of the Bureau upon written request by opportunity number. The Bureau does not furnish credit ratings or assume responsibility as to the standing of foreign inquirers; the usual precautions should be taken in all cases; references are generally furnished and form a part of the reserved information. Connecticut manufacturers and exporters in following up "Foreign Trade Opportunities" should not fail to furnish the American consul, attaché or trade commissioner who sent in the report, a copy of their letter to the foreign merchant. This practice should work out to the distinct advantage of exporters, as it will enable representatives of the Government to follow up the matter personally with the foreign merchant.

Commodities	Op. No.	City and Country	Purchase or Agency	Commodities	Op. No.	City and Country	Purchase or Agency
Airplanes, commercial	35371	Yunanfu, China	Purchase	Hardware, household, and table and kitchen cutlery	35360	Buenos Aires, Argentina	Agency
Automobile accessories	35309	Budapest, Hungary	Purchase	Hardware and metal goods	35390	Bombay, India	Either
Do.	35442	Santa Cruz, Canary Isl.	Both	Household appliances, electrical	35359	Vienna, Aus.	Agency
Automobile accessories and equipment	35443	Vienna, Aus.	Agency	Household electric appliances, including electric fans	35307	Karachi, India	Agency
Automobile accessories, parts and novelties	35308	Montevideo, Uruguay	Both	Household electrical appliances (vacuum cleaners, washing machines and cookers)	35322	Liverpool, England	Either
Auto. accessories, tire and tube repairing outfits	35478	Cawnpore, India	Both	Kid, calfskin, and fine leathers	35460	Rosario, Argentina	Purchase
Balloons bearing representation of the map of the world	35479	Milan, Italy	Purchase	Machine tools, metalworking, especially drilling machines, grinding machines, and machines for the manufacture of cogwheels	35376	Berlin, Germany	Agency
Bathing caps, shoes and belts	35495	Rome, Italy	Purchase	Motors, marine, 2 and 4 cylinder	35310	Bilbao, Spain	Both
Batteries, storage parts and separators	35448	Amsterdam, Netherlands	Both	Novelties and fancy goods, from 5 cents to \$1.00 each	35488	Santo Domingo, Dominican Republic	Purchase
Bolts and nuts	35390	Bombay, India	Either	Phonographs with new sound box principle, and supplies	35477	Buenos Aires, Argentina	Purchase
Do.	35348	Cairo, Egypt	Agency	Phonographs and records	35420	Dairen, Manchuria	Both
Buttons, especially mother of pearl	35460	Rosario, Argentina	Purchase	Pipe fittings	35424	Caracas, Venezuela	Agency
Cotton khaki drills, canvas, and bleached and unbleached sheetings	35493	Addis Ababa, Ethiopia	Both	Radio apparatus	35478	Cawnpore, India	Both
Cotton piece goods	35407	Mexico City, Mexico	Agency	Radio sets and parts	35449	Buenos Aires, Argentina	Purchase
Do.	35416	Winnipeg, Can.	Agency	Saws, metal-cutting, with handles	35455	Cherbourg, France	Either
Do.	35343	Buenos Aires, Argentina	Agency	Silk piece goods	35412	Vancouver, Can.	Agency
Druggists' rubber sundries, and bath and laboratory accessories	35308	Montevideo, Uruguay	Both	Spoons, tea, nickel plated	35454	Quebec, Can.	Purchase
Flashlights, nickel case, with focussing device	35324	Welteverden, Java	Sole Agency	Sport goods, all kinds	35479	Milan, Italy	Purchase
Hardware, builders'	35344	Vienna, Aus.	Agency	Sporting and athletic goods	35392	Paris, France	Either
Do.	35366	Lima, Peru	Agency				
Hardware, builders' galvanized sheets and cutlery	35320	Rio de Janiero, Brazil	Agency				
Hardware, household, and equipment for hotels, bars and kitchens	35326	Hamburg, Germany	Agency				

(Continued on page 28)

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PRICE STABILITY * * *

(Continued from page 24)

their individual price policies which, when determined, should not be changed except for a definite, honest change in the specification for the product.

There is a great wave of understanding of this general plan spreading through our business world, for which the Department of Commerce, with Mr. Hoover's vision of the past seven years, blazed the way. Now the Chamber of Commerce of the United States through Dr. Baker's Trade Association Department, is ready to advise how properly to set up an association. The Government departments — Federal Trade Commissions and the once dreaded Attorney-General's department — will be found sympathetic and helpful. Industry needs to realize that honest cooperation is better than bitter competition — better for the manufacturer and the buyer.

Industry in general is sick, and a price with a profit is necessary to restore health and future progress. A Firm Price policy, carefully prepared and lived up to, will contribute largely to this progress. Price stability is a real start toward a price with a reasonable profit.

THE ANTI-TRUST LAWS

(Continued from page 22)

act of retaliation in a trade dispute, instituted a cut price war against our firm in which he published a double spread page in a Sunday edition advertising our goods at a ridiculous price. The man had a mail order business. He sent a cut price circular all through the central section of the United States. From that hour there was no dealer in the section in which he traded who could buy Cheney Silks at the regular price and resell them at a profit in the face of this unfair competition. So the whole business stopped from that day and we suffered a loss of a good many millions of dollars' worth of business. He did not have any large amount of our silk. He dragged the name of the company down in the dust, and ruined the business as an act of spite. I want the right to say to anybody who buys my name that he shall not come out and use it to my detriment. A man's good name should not be turned against him to his own destruction. In business there

can be no such thing as the continuation of a relationship which is not mutually satisfactory. It is not sufficient that the method of conducting business works to one party's advantage only. I admit freely that if I buy a cargo of wheat, coal, or a yard of silk, I can do what I will so long as it suits me, but I can never admit that it can be done to another's detriment. We should have the right to control the resale price. Competition will protect the public against its abuse.

STOP, LOOK AND LISTEN

(Continued from page 11)

We leave the problem with you. While it is a difficult one, it can be answered if approached in a cooperative spirit; if handled discreetly, intelligently and courageously; and if those charged with solving it live up to the spirit of "Stop, Look and Listen";



STOP — long enough to consider the problem in all its aspects;

LOOK — the problems squarely in the face, and

LISTEN — to the advice that may be given by those who have studied the question impartially and whose opinions are based on practical experience.

Taxation Department

*Timely News on Federal and State Tax Matters Will Appear in This Department Each Month,
Prepared for the Association by Hadfield, Rothwell, Soule & Coates*

Certificate of Inventory, Form No. 1126, Discontinued

In previous years, if a corporation was engaged in the production, purchase or sale of merchandise, as an income-producing factor in the trade or business, it was necessary to secure from the Collector of Internal Revenue and file as a part of the Corporation Income Tax return, a Certificate of Inventory, Form No. 1126.

This certificate has been discontinued in the new return for the calendar year 1928 and question 10 on page 4 of the new blank requires a full explanation of the method used in valuing the inventory.

Profits From Sale of Municipal Bonds Held Exempt

In a decision handed down by the District Court of Minnesota, Third Division, on November 17, 1928, it was held that profit from the sale of municipal bonds was exempt from income tax, such tax being either on the bonds themselves or on the income arising therefrom.

The plaintiff purchased certain bonds issued by municipal corporations of the State of Minnesota, and thereafter sold such bonds at a profit. Under the Revenue Acts of the United States, the government levied a tax on the profit so realized by the plaintiff and, under protest, plaintiff paid such tax. The plaintiff thereafter brought action to recover the amount so paid.

We quote in part from the decision as follows:

"The means and instrumentalities of a state government are exempt from taxation by the United States.

"It is therefore beyond dispute that income from bonds such as those here in question is not subject to a tax under the Revenue Law. Limited still further, the question here is whether gains and profits realized on the sale of such bonds are income within the meaning of the law. Confessedly, the tax here in question was a tax on income; otherwise, there would be no justification for its levy. Clearly, that income was derived from municipal bonds issued under the authority of the state of Minnesota.

"In such cases the underlying principle is that the federal government shall not exercise the power of taxation in such manner as in any substantial degree

to interfere with the state in any of its governmental functions. In the performance of such functions, the state and its various subdivisions require money. They often borrow. In such cases, bonds or other obligations are issued and are offered for sale to the investing public. A tax on such obligations, or on the income therefrom, is a burden thereon, and makes them less desirable and less salable in the market. It interferes with the demand for such obligations, and with the success of the state or other political subdivision in raising money through their sale. Under the principle hereinbefore stated, no such tax is valid.

"In like manner, if at the time that any issue of state or municipal bonds is offered to the investing public, it shall be known that any gain or profit realized from a rise in value of such bonds, and a sale thereof, would be subject to a federal tax, which might be increased at any time, this circumstance would operate to discourage the public from dealing in such securities, and would cause a reduction in the price which purchasers would be willing to pay therefor.

"The imposition of such a tax, therefore, would affect the power of the state or municipality to borrow money and also the amount which could be realized from the sale of its securities. This would be an unjustifiable interference with the financial operations of the governmental subdivision in question, and, equally with a tax directly imposed on the bonds themselves, and for substantially the same reasons, should be held invalid."

FOREIGN TRADE TIPS

(Continued from page 26)

Commodities	Op. No.	City and Country	Purchase or Agency
Tires, automobile	35443	Vienna, Aus.	Agency
Tires and tubes, automobile	35478	Cawnpore, India	Both
Toilet articles	35392	Paris, France	Either
Tools, for automobile and metal and woodworking industry	35453	Frankfort, Germany	Purchase
Tools, hand	35369	Budapest, Hungary	Both
Toys	35460	Rosario, Argentina	Purchase
Velours, plain and brocade	35484	Sydney, Australia	Both
Wire	35320	Rio de Janeiro, Brazil	Agency
Wire and wiring supplies	35307	Karachi, India	Agency
Wool goods	35343	Buenos Aires, Argentina	Agency
Yarn, cotton, about 500 tons annually	35492	Bogota, Colombia	Purchase

The Problem of Hernia Compensation

By HOWELL CHENEY

TO set up legal machinery which will leave the way open for worthy hernia claims while at the same time excluding from compensation hernias whose major contributing causes lay outside the occupational field, is an unenviable task. There is a middle ground somewhere, not hard to recognize in a concrete case. But to crystallize one's estimate on the relative merit of specific claims into a legal wall just low enough to let in hernia indubitably caused by the job, yet high enough to exclude fraudulent or indifferent claims, is a more difficult undertaking. The hernia amendments proposed by the Association in the last session of the legislature, and eventually enacted into law, were predicated on an honest endeavor to achieve that ideal by requiring the claimant to prove that the hernia resulted from an accident, that disability followed that accident immediately, that he had no pre-existing hernia, and that he reported the facts of the accident to his employer within two weeks. These requirements were suggested to the legislature only after long and careful study, and were clear attempts to link up the disability with the injury which caused it by some tangible and obvious tie.

Absolute and unfailing equality of application cannot be expected of any legislative enactment. No amount of foresight can guarantee that every case arising out of it will be adequately met by all of its terms. But it was expected that the requirements set forth in this statute would provide the necessary lee-way for well founded hernia claims, while at the same time curing a problem which has become an acute one in Connecticut of late years and which has resulted not only in mounting compensation insurance costs, but in a sense of dependence on the part of industrial workers which has no basis in justice.

Fortunately for the clarification of the statute, the facts were clearly defined in the only

case under the new law which went up to the Supreme Court. A carpenter, stepping down from a staging, tripped and wrenched himself. He continued at work for several days, and although he had satisfied the other requirements for a hernia award, the compensation commissioner construed "immediate disability" in its strictest sense, and the majority of the Supreme Court upheld him.

The compensation committee of the Association has decided to seek a relaxation of the hernia clause at this session of the legislature, although the provisions put into the act in 1927 are not unique, nor even unusually harsh. The compensation laws of thirteen other states, including the lately adopted and presumably model law of Missouri, set up immediate disability as one of the conditions for compensation after hernia. Louisiana and New Jersey are still more strict in their phraseology, the statutes of those states requiring conclusive proof that the employe was compelled to cease work immediately. Indeed, the statutes of these two states specifically rule out anything but the real traumatic hernias resulting from the application of force directly to the abdominal wall, and treat all other cases as of slow development and therefore not compensable, unless the employe sets up five more proofs, more drastic than those in the Connecticut statute. Moreover, statutes in these two states are so worded as to preclude the possibility of compensating hernia as an occupational disease. In Wisconsin, where the statute is not so specific, the industrial commission has established evidential rules of similar import; and in a recent decision confirming the dismissal of a hernia claim, the Wisconsin Supreme Court relied on a brief filed by the industrial commission which contained this statement: "Any such development of the condition as will render the case compensable must necessarily cause immediate discomfort, at least temporary



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suspension from work, and outward evidence of pain observable to fellow employees."

Twelve states, also including Missouri, require evidence of pain accompanying the occurrence of the hernia. New Jersey and Louisiana require evidence of such physical distress that the attendance of a licensed physician was required within twenty-four and forty-eight hours respectively after the occurrence of the hernia. New Jersey demands evidence of severe pain in the hernial region, and requires that the accompanying facts be of such severity as to be noticed by the employee and communicated to the employer within twenty-four hours after the occurrence of the hernia. Louisiana also requires an exceptional degree of severity in the symptoms, and provides that they must not be only noticed by the claimant, but communicated immediately to one or more persons. Arizona also has this provision. Pennsylvania and Louisiana both require notice to the employer within forty-eight hours, while Illinois allows fifteen days.

The laws of eight states provide that the hernia must appear suddenly. Nor is freedom from a former hernial condition by any means a requirement peculiar to the Connecticut act. It is in the laws of twelve other states, again including the new law in Missouri. In continental Europe where social legislation has gone to lengths which American independence neither wants nor needs, a hernia award is comparatively rare. Germany, for instance, demands that the trauma or the strain producing the hernia be adequate, and under judicial practice there lifting is not deemed a proximate cause of hernia unless the thing lifted ordinarily requires the strength of two men.

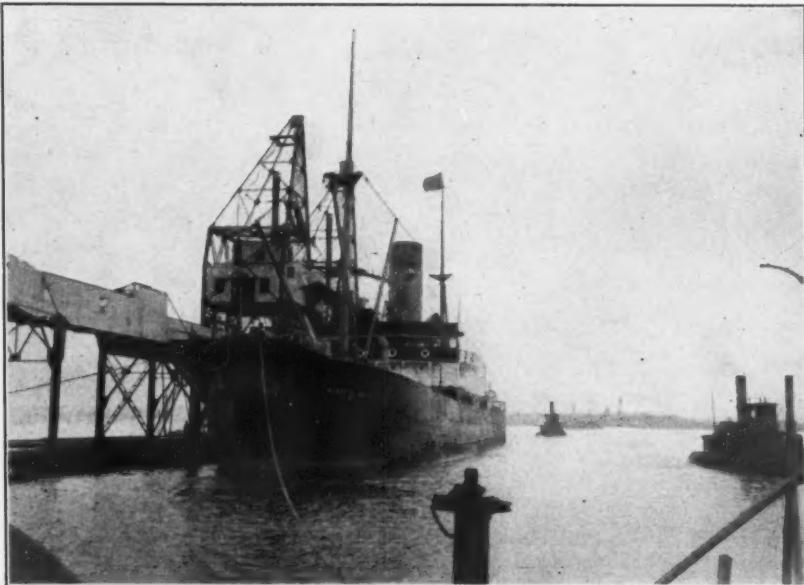
The obvious intent to confine hernia coverage under compensation act to the strict traumatic hernia is evidenced through the whole trend of these statutes. The specific treatment of hernia under compensation, as a matter to be treated separately, had its origin generally only after the wave of compensation legislation passed over the country from 1911 to 1914; and it is significant that most of the compensation laws passed at a later date contained specific reference to hernia. Connecticut, like many other states, set up no special machinery in its original act to deal with hernia, but compensated it under the general enabling provisions of the act. The insertion of a specific clause in 1927, then, was by no means a radical departure, either in its intent or in the severity of its requirements, but on the contrary was distinctly in line with the present day trend.

Medical testimony supporting the equity of this trend is not wanting. A significant statement appeared some months ago in a report put out by a special committee of the New England Surgical Society on traumatic hernia, and this statement has the endorsement of respectable medical opinion in Connecticut. "We feel," the report states, "that the present day attitude of making someone other than the disabled individual pay for disability for which no one is responsible has been carried rather farther in the case of hernia than with most other alleged injuries. The consensus of surgical opinion points very definitely to the conclusion that hernia, as a result of a single injury or strain, is of extreme rarity."

While this report does not presume to decide whether or not hernia in the main is a disease of occupation and therefore compensable on economic or humanitarian grounds, it does lay down six criteria for determining what constitutes true traumatic hernia, and rejects as not of traumatic origin hernia which lacks two or more of these criteria. These criteria are: immediate descent of the hernia following the alleged injury or strain, severe pain in the hernial region, marked prostration, symptoms of such severity that the individual calls attention to his condition within the first twenty-four hours, no previously existing hernia at the present site, and an adequate trauma or strain.

With the exception of back strains, probably no other phase of workmen's compensation has offered so many obstacles to equitable determination, as hernia. Other jurisdictions are trying to solve the problem in accordance with modern thought, and Connecticut should not remain behind. It was to be expected that the amendments of 1927 would result in a decline in the number of hernia awards, because of the marked contrast in effect between a law which allowed almost unlimited latitude in hernia cases, and one which sets up specific requirements. The undue liberality of a prior statute should not sway judgment on the present law, without due regard for the justice of the present method of treatment when considered. on its merits, and the justification for it.

In view of these considerations, and in the light of its extended study, the compensation committee is recommending to the General Assembly a modification of the hernia clause which will allow one week for the onset of disability; and is also asking for the insertion of the requirement that the hernia must have been accompanied by evidence of pain.



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